First Original

Issued 16/12/1965 Amended 13/7/1971 Amended 16/3/1977 Amended 9/9/1993 The Documentary Committee of The Japan Shipping Exchange, Inc.

MEMORANDUM OF AGREEMENT Code Name: NIPPONSALE 1993

Copyright
Published by
The Japan Shipping
Eurhange, Inc.

Date: 6th July 2005

IT IS THIS DAY MUTUALLY AGREED between the Sellers mentioned in (i) below ("the Sellers") and the Buyers mentioned in (ii) below ("the Buyers") that the Sellers shall sell and the Buyers shall buy the Vessel named in (iii) below with particulars mentioned in (iv) - (viii) below ("the Vessel"), which has been accepted by the Buyers see a result of their paperficial inspection of the Vessel"), which has been accepted by the Buyers see a result of their paperficial inspection of the Vessel"), which has been accepted by the Buyers see a result of their paperficial inspection of the Vessel"), or the creek (this sale therefore being outright without further inspection erespectas provided herein), on the following terms and conditions:

- (i) Seilors: Ocean Phoenix Navigation S.A., of Panama
- (ii) Buyers: Ocean Phoenix Shioping, Ltd., of The Marshall Islands
- (iii) Vessel's name: 'OCEAN PHOENIX'
- (iv) Flag: Parama (v) Class: NK
- (vi) Built (year and builder's name): 1995; Shin Kurushima Dockvard Co., Ltd.
- (vii) Gross register tomage: 15,737 (viii) Summer dead-weight tonnage: 24,318 metric tons.

1. PRICE

The Purchase Price of the Vessel shall be ¥846,000,000 (Japanese Yes Eight Hundred and Forty Six Million only) payable in cash.

2. PAYMENT

- (a) An ecourity for the fulfilment of this Agreement, the Buyers shell pay a deposit of ten (10) per east of the Purchase money to a back nominated by the Sellors within three (3) banking days from the date of this Agreement, in the ments of the Sellors and the Buyers, which shall be paid to the Sellors of the Buyers, which shall be paid to the Sellors of the Direction of the Purchase Money in the second memors to the minery (90) per cont of the Purchase Money have a second on the deposit shall be for the Buyers, account and any back sharpes on the deposit shall be been equally by the Sellow and the Buyers.
- (b) The Buyers shall remit the balance 100% of the Purchase Money by telegraphic transfer to their own account or a suspension account in the only is bank nominated by the Sellers latest 2 (two) banking days prior to the expected date of delivery immediately after the Notice of Readmon for Delivery is tendered by the Fellers as per Giano 7 of this Agreement. This believe Purchase Money shall be paid out to the Sellers tegether with the said tax (10) per cont deposit against the Protocol of Delivery and Acceptance being duly signed by the representatives of both parties at the time of delivery of the Vessel. Any bank fees charged for the holding and/or lifting funds and/or closing shall be equally shared between the Sellers and the Dayers.

3. DOCUMENTATION - see also Clause 22

At the time of delivery of the Vessel, the Sellers shall furnish the Buyers with the following documents:

- (a) the Bill of Sale, July attented by a Motory Public, specifying that the Vessel is from all debter

m. W. Chi

(c) such other devented to may be mutually agreed.

Closing and exchange of documents shall take place at the Sellers' nominated place in Japan.

4. DELIVERY TIME AND PLACE;

- (a) The Sellers shall deliver the Vessel to the Buyers safely affort, free of cargo at in her next port of call after completion of discharge on her current voyage to Recife, Brazil, or, if the next port caused be reached by 31st August 2005, then at Recife, Brazil, by 31st August 2005 but not carlier than 23rd August and expected around 25th /30st August 2005, (not before 2003; and not later then 2002 ("the careelling date"). In case for any reason beyond the control of the Bayers and Sellers the Versel cannot be delivered within the above period. delivery shall take place on an alternative date acceptable to both the Sellers' Bank, Sumitomo Mitsui Banking Corporation, and Bayers' Bank, ABN-AMRO, but in any case latest by the ead of the next voyage starting with loading after completion of discharge at Recife
- (b) In the event that the Callers fail to make the Veccel ready for delivery on or before the amostling date, the Buyers shall have the option of maintaining or esseelling this Agreement, provided such option shall be declared in writing within ferty eight (48) hours (Seturdays, Sandays and Helidays emergined) from the cancelling date. However, any delay not exceeding thirty (36) days saused by force majoure and/or repelus in order to puse the inspection under Clause 6 of this Agreement chall be accepted by the Buyen.
- (e) The Sellow shall keep the Buyers informed of the Vescel's itinetary and give the Buyers thirty (30) filtern (15) forem (7) three (3) days notice of approximate expected place and date of readings for delivery.

5. DELIVERY CONDITION

The Sellers shall deliver to the Buyers the Vessel substantially in the same "as is" condition so when the Vessel was inspected at the place mentioned in the prescribio, fair were and tone encepted, but with her present class unsintained free from contaming recommendations with existing recommendation set out on 26th December 2003 (according to vessel's latest Survey Status) and average damage affecting her present class with all her class, national and international trading certificates, clean and valid at the time of delivery. In case any further recommendations are placed on the Versel prior to delivery, then the Vessel will be delivered with those recommendations.

6. DRYDOCKING -- no Drydpelding Clause shall apply (but see also Clause 21)

For the inspection by the Classification Seciety mentioned in (v) of the preamble of the Venezi's bottom and other undersules parts below the summer lend line ("bottom neal other underwater parts"), the Callium shall place the Vessel in dry took at the part of delivery or near thereto price to delivery.

If the radder, propeller, bottom or other underwater parts be found braken, demaged or defective on me to officet the Vessel's elect partificate of elect, the came shall be made good as the Sollars' expense to the Classification Society is satisfaction so as to settin the Vecesi's elem without qualification.

While the Versel is in drydesk and if required by the Dayers or the Classification Society's enrysyst, the tril and shall the drawn, and about the same be condemned or found defective so as to affect the Venuel's aless sentificate of class, it shall be renerved or made good at the Cellem' superme to the Clausification Cociety's satisfication so so to retain the Vecsel's class without qualification.

The cost of drawing and replacing the tall and shaft shall be barns by the Dayors unless the Glassification Society requires the tail-and that to be drawn, made good as renewed.

The expense of putting the Variat in and taking her out of drydeoli and the drydeoli does including the fee of the Classification Seciety's curveyor shall be paid by the Buyers unless the radder, propeller, bettern, other underwater parts or this end shall be found broken, damaged or defeative as aforesaid, in Which were the Sellers shall pay these expenses.

M. H. Wik.

The Sellers shall pay all costs of transporting the Vessel to the drydeck and from the drydech to the piose of delivery.

7. NOTICE OF READINESS AND LIQUIDATED DAMAGES

When the Vessel has been approved by the Glassification Society's curveyor following the inspection olipsisted in the preceding closes the Vessel shall be desired ready for delivery and thereupon the Sallow thail taited to the Buyers a police of readiness for delivery.

The Buyers shall take over the Vocasi within three (3) banking days from the day of the receipt of such notice inclusive.

In the event of the Buyers not taking delivery of the vessel within the period by the latest date specified above, the Buyers shall pay to the Sellers the sum of USS 6.000 (United States Dollars Six Thorsand) per day as liquidated damages until the Vessel is delivered, but such detention shall not exceed ten (10) days.

8. FORCE MAJEURE

Should the Vessel become an actual or constructive total loss before delivery or not be able to be delivered through outbreak of war, political reasons, restraint of Governments, Princes or People, or any other cause which either party hereto cannot provent, this Agreement shall be deemed to be mail and void, and the depend shall at once be returned to the Bayers, but the Buyers shall be compensated under Insurance provisions elsewhere.

9. ALLOCATION OF RISK

The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Huyers, and after the delivery of the Vessel in accordance with this Agreement the Sellers shall have no responsibility for any possible fault or deficiency of any description.

10. BELONGINGS AND BUNKERS - see also Clause 17

es shall deliver to the Nepara the reseal with everything belonging to her at the time of the superficial inspection mentioned in the prosmale including all space parts, stores and equipment, on board or on short, used or united, musest cush things as ore in the normal source of operations used during the period between the experiisal inspection and delivery. Forwarding charges, if easy, chall be for the Dayses' second.

The Dayers shall take over and pay the Sellers for remaining business and unused bibricating oils at less purchased prices wildeneed by supporting venetions. Bunkers below to the Charterers and no payment shall be made at the time of delivery. Poyment under this Clause shall be made on or prior to delivery in the name currency so the Purchase Money.

The Sellers shall provide an inventory list for the Buyers at the time of delivery.

11. EXCLUSIONS FROM THE SALE - see also Clause 17

The Sellem have the right to take solute evoluty, plate, outley, lines and other artisise bearing the Sallard Ray or name, previded they substitute for the come an adequate number of similar immerical stems. Bealts, consetts and forms ster, exclusively for one on the Sellard records, shall be taken unhare before delivery.

Personal effects of the Master, Officers and Crew including slop chest, and hired equipment and equipment belonging to the Managers, are excluded from this sale and shall be removed by the Sellers prior to delivery of the Vessel. The Sellers are also to advise any bired equipment and equipment belonging to the Managers (Keyrnax (MK) Martitime Co., Ltd. All such equipment skell remain on board the Versel until termination of the Management Agreement between the Sellers and the Venel's Managers.

12. CHANGE OF NAME ETC.

The Buyen-undertake to change the name of the Vescel and alter the famel markings upon delivery of the Lemal.

13. ENCUMBRANCES ETC.

The Sellers shall deliver to the Buyers the vessel free from all debte; encumbrances and maritime liens and any other debts whatsoever, other than those which are the responsibility of the Buyers.

The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Vessel in respect of liabilities incurred prior to the time of delivery, except insofar as such elaims are the responsibility of the Buyers.

14. DEFAULT AND COMPENSATION

Should the Buyers fail to fulfil this Agreement, the Sellers have the right to cancel the Agreement, in whilsts ease the deposit chall be forfeited to the Bellern. If the deposit does not gover the Sellern' loss consoil by the Dayses' non-falfilment of this Agreement, the College shall and be entitled to claim further compensation from the Buyers for any loss and for all expenses.

If the Sellers should default in the delivery of the Vessel with everything belonging to her in the manner and within the time herein specified, the deposit shall at once be returned to the Dayses and in addition the Sellers shall, when such default is due to their negligent or intentional acts or omissions, make due compensation for loss caused by their non-fulfilment of this Agreement.

15. ARBITRATION

Any dispute mining out of this Agreement shall be submitted to arbitration hald in Taleyo by the Taleyo Mariame Arbitration Commission ("TOMAC") of The Japon Shipping Feedbangs, Inc. in accommens with the rules of TOMAC and any assentingents theretoy and the award given by the estitutors chall be final and binding on both parties. This Agreement shall be governed by and construed in secordance with Euglish law and any dispute arising out of this Agreement shall be referred to arbitration in London in accordance with the Arbitration Acts 1950 and 1979 or any statutory modification or re-ensement thereof for the time being in force, one arbitrator being appointed by each party. On the receipt of the nomination in writing of the other party's arbitrator, that party shall appoint their arbitrator within fourteen days, failing which the decision of the single arbitraips appointed shall apply. If two arbitraious properly appointed shall not agree they shall appoint an ampire whose decision shall be final.

The additional clauses from 16 to 23 shall be deemed to be fully incorporated in this Agreement.

IN WITNESS WHEREOF the Sellers and the Buyers have signed and executed TWO COPIES of this Agreement the day and year first above written.

THE SELLERS

Ocean Phoenix Navigation S.A.

THE BUYERS

Ocean Phoenix Shipping, Ltd.

By : Noritake Kayahara

Title: Director/Attorney-in-fact

Title: Director/Attorney-in-fact

Additional Clauses to Memorandum of Agreement dated 6th July 2005 M.V. "OCEAN PHOENIX"

- 16. The Vessel's continuous Hull and Machinery survey cycles are to be up-to-date with no outstanding or extensions at the time of delivery.
- 17. The Vessel shall be delivered with everything belonging to her on board, ashore and on order, including stores, provisions, spare parts, lubricating oils, navigational aids and wireless station, used or unused. Forwarding charges, if any, shall be for the Buyers' account.

At the time of delivery the Sellers shall hand to the Buyers the Classification certificate(s) as well as all plans which are on board the Vessel. Other certificates which are on board the vessel shall also be handed over to the Buyers unless the Sellers are required to retain same in which case the Buyers to have the right to take copies. Other technical documentation which may be in the Sellers' possession shall be promptly forwarded to the Buyers at their expense, if they so request. The Sellers may keep the Vessel's logbooks but the Buyers shall have the right to take copies of the same.

- 18. The Sellers shall confirm in writing at the time of delivery that to the best of their knowledge the Vessel is not blacklisted by the Arab Boycott League in Damascus or any other government or organisation.
- 19. The Buyers shall have the right at their risk and expense to place onboard up to two (2) representatives for familiarisation purposes only without interference to the Vessel's operation for the duration of the Vessel's last voyage prior to delivery. The Buyers' representatives shall sign the usual indemnity forms.
- 20. The Vessel shall be delivered with holds in 'as is' condition.
- 21. No dry-docking clause shall apply, however the Buyers have the right, at their risk and expense, to conduct, prior to delivery, an underwater survey of vessel's bottom and underwater parts, in the presence of Class surveyor and the Buyers and Sellers' representatives! If the Buyers elect to carry out such an inspection, the same is to be carried out as soon as practically possible after vessel arrives at the delivery port. The Sellers are not obliged to deviate the vessel to a suitable location for this purpose unless fully compensated therefor by the Buyers.

If any damage affecting the vessel's clean maintenance of Class be found to bottom or underwater parts, then the vessel is to be dry-docked in accordance with the terms of Cl.6 of the Nipponsale Form 1993, in which case the Buyers have the right to carry out their own minor works and paint vessel's bottom without interference to the Sellers' works, at the Buyers' time, risk and expense.

n.z. Charge

Additional Clauses to Memorandum of Agreement dated 6th July 2005 M.V. "OCEAN PHOENIX"

In case the vessel is dry-docked, then the cancelling date is to be extended by the number of days used for the dry-docking, waiting time for dry-dock and deviation. If the Buyers' works are not completed by the time that the Sellers have completed their works in accordance with the agreed terms/conditions, then the Sellers have the right to tender notice of readiness in dry-dock and deliver the vessel; however, undocking costs always to be for the Sellers' account.

In case Class requires repairs to underwater parts but approves postponement of such repairs until the vessel's next scheduled dry-docking, then the Sellers have the option either to bear the actual direct repair costs incurred at the next drydocking or to propose monetary settlement, which to be mutually agreed.

- 22. As soon as possible after execution of this Agreement, the Buyers shall provide a list of closing documents which are reasonably required and, after agreement by the Sellers, the same is to be attached to this Agreement as an Addendum.
- 23. This sale and all negotiations involved are to be kept strictly private and confidential between the parties directly involved.

First Original

nd 16/13/1965 males 13/1/1971 males 14/3/1977 cades 19/4/1973

The Documentary Comtolisms of The Japan Stripping Exchange, Inc. MEMORANDUM OF AGREEMENT Code Name: NUPONSALE 1993

Copyright Published by Exchange, bec

Deie: 24th October 2005

IT IS THIS DAY MUTUALLY AGREED between the Zollers monthmed in (I) below ("the Sellers") 17 is This DAY WOTOALLY ACHORED accepts the actions from the of it of serve the actions and the Buyers merriconed in (ii) below ("the Buyers") that the Selliers shall sell and the Buyers shall buyer the Versel ramed in (iii) below with particulars measined in (iv) - (viii) below ("the Versel"), which has been accepted by the Buyers are a result of their reportant impossion of the Versel's). except an provided bereigh on the following terms and conditions:

- (i) Sellers: Ocean Kille Shipholdica Limited of Cyntas
- (ii) Bujers: Dosan Ellis Shipping, Lad., nl The Marshall Islands
- (iii) Vessal's name 'OCEAN ELLIE'
- (iv) Play: Crease (v) Class: NK
- (vi) Built (your srai builder's same): 1996; Xlantus Shiorard
- (vil) Gross register intrange: 18.421 (vill) Surrener desd-welcht tonneget 17.385 metrie long.

 \bigcirc

The Purchase Price of the Versal shall be USS432KARQ (Balket States Noblace Space Millions Toro Hondred and Twenty Five Thomsand party) parable in cash.

2. PAYMENT

- ny ina a-ban'i naminala'a ny dia Gallum aribin dipan (3) kandrin dispaisana dia ny irana namana ao dia Vallara and aha Dayses, wisin'i shall bayuké se dia Sallam afilipa Persisten meray in a basis nam as a part of the Parabase Sensor in the same maximum as the ninety (SO) per control the Pe Money borrunder, hay interig runned on the deposit that for the Dayon's amount and any bank things an budges shall be been equally by the follow ad the Buyers
- (b) The Buyers shall result the belowe 100% of the Purchase Money by telegraphic transfer to their The Buyers shall remit the belower 100% at the Purchase Mancy by temprepare to their own scoroul at a accommission account in the only a beat annihing that the Sellers intent 2 (by 6) beating days never to the account of delivery tempediately after the Sellers intent 2 (by 6) beating to the Sellers of Residence for Delivery in andemic by the Sellers on the Parchase Test this temperature. This believes Parchase Money shall be paid out to the Sellers together with the selle together the Parchase of both parties at the time of delivery of the Vosed. Any bank has absent for the holding antifer litting finade and/or closing shall be causely above between the Sellers and the flavors.

J. DOCUMENTATION - see abo Clause 12

At the tiggs of this way of the Warming the Callect about furnish the Elegans with the following the same

(a) the Bill-off-sile, the present to a distant Public, epocitying that the Mosel is fine for assertance and markling lives:

(5) a letter-flour-the Tellow- understing to empty a Cultaine Cartiflotte from the synta propelly alteratus Vessella delivery-and

Closing and exchange of documents shall take place of the Scients' nominated place in Japan.

4. DELIVERY TIME AND PLACE

- (a) The Sellers shall deliver the Vessel to the Buyers suffer uffeat, free of caree stars around 15th November 1905, fast before 9053, and not leave than around [5]): November 2005, (not before 0003) and not less than 3000 (The annual log doub). To case for may record beyond the control of the Sprats and Sellers the Yessel causer by delirered at the above time, delivery that into piece on an alternative data ententable to both SMRC, and the Breeze's Bank. Such of Tohyo Mityablah, but in any care jutent by 38th Howards and one for the such of Tohyo Mityablah, but in any care jutent by 38th Howards and the Breeze's Bank.
- data the Dupore shall have the update of maintaining as manylling this Agreement, previous aprion shall be dealered in system spitch forty alphi (45) heart (Scientary, Earliese and Hall suscepted) from the cancelling date. However, my date, not excepting they (50) days sustentially from the cancelling date. However, my date, not excepting they (50) days sustentially from the cancelling date. mainer and to repairs respect by the Dayton.
- wed of the Name In late (30) Calcan Haybowen (7) Alexa (2) days action of approximate superical place and date of resilient Au dainery.

5. DXLIVERY CONDITION

The Seliers shall deliver to the Bayers the Vessel substantially in the same "as te" condition as when seted at the plane mentioned in the promptic, sile treep and term excepted, but with has received their resintations from constrainty recommendations and average demagn affecting has present their resistants and salidated from the present class with all her class, assumed and leterassional resistant and resistant and valid at the time of delivery. In case any recommendations are placed on the Vessel prior to delivery, then the Years will be sellvered with these recommendations.

S. DRYDOCKING - no Drydocking Clause thall apply foul an also Clause 21)

Checel Heatler Cuplaty's earlie faction up as to retain the Vestel's class without qualification.

The sont of denting and regimeles the tall and shall shall be been by the August Classification Society regulars the tall and shall be determ, made good so cinemal.

Clamification Society's mirroyer shall be paid by the Buyers unless the rectur, proper my exherent descriptor years do will and their be in ere the fallen their pay dicor superior.

The Sallers shall pay all ourse of transporting the Verral to the significant and flore the significant to the

7. NOTICE OF READINESS AND LIQUIDATED DAMAGES

stipulated in the greateding clause the lineset shall be despend in shall tender to the Eupern a nation of exactation for its interpr

The Dayon shall take even the Yussel within three (2) deading days from the day of the results of much

in the seems of the Buyers not taking delivery of the versel within the paried by the intest data specified above, the Buyers shall pay to the Sellers the sum of USS \$000 (United States Deliver Six Thousand) per day as liquidated damages and the Versel is delivered, but such detention shall not exceed ton (10) days.

& FORCE MAJEURE

Should the Vessel become an actual or constructive total loar before delivery or not be able to be delivered through outbreak of war, political reasons, restraint of Covernments. Princes or People, or my other cause which cliber party barries caused present, this Agreement shall be dremed to be said and void, and the deposit shall as a to be returned in the Bayers, but the Buyers shall be compensated under logurance provisions elsewhere.

9. ALLOCATION OF RISK

The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Buyers, and after the delivery of the Vessel in accordance with this Agreement the Sullers shall have no responsibility for say possible fault or deficiency of any description.

10. BELONGINGS AND BUNKERS - No 48th Chart 17

gibe ported to seven the superficial imperior and delivery. Formariling charges

makeli take arm and poy the fellow for consinley bushes and named laborating oils as less priots with most by supporting remakers. Bushess believe to the Charterors and no payment shall be made at the lime of delivery. Depress under tide to delivery in the state starting on the Purchase Money.

The Sellers shall provide an inventory list for the Buyers at the time of delivery.

11. EXCLUSIONS FROM THE SALE - 120 Miss Charge 17

The College have the sight to take ashers or short, plant, buttery. Hear, and sther article Bellers' ling to merce, provided they exterious for the street or principle member of similar enterior from the Beller enterior of similar enterior from the Beller enterior of the Bel

Personal effects of the Mester, Officers and Grew including slop chest, and bired equipment and entitlement belonging to the Managery are excluded from this sale and shall be removed by the Railway prior to delivery of the Vennet. The Felters are abuse to strive, say three equipment and equipment intensity to the Managers (Kryman Maritims Coulds ANK Shipmannana Co., Left, All sace equipment shall remain up beared the Vennet and termination of the Managers.

12 CHANGE OF NAME ETC.

The Buyers underlain to change the came of the Versel and alor the function upon delivery

13. ENCUMBRANCES ETC.

The Sollars shall deliver to the Buyers the vessel free from all debter encumbrances and maritime liens and any other debts whatepower, other than those which are the resmonthlifty of the Buyers.

The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Versel in respect of liabilities incurred prior to the time of delivery, except insofar as such claims not the responsibility of the Buyers.

14. DEFAULT AND COMPENSATION

Should the Buyers full to fulfil this Agreement, the Settors have the right to cancel the Agreement, in which may the departs shall be Builded to the Selling of the Separat date not exceed the Selling liese fluther compensation from the Buyers for any loss and for all expenses.

If the Sallers should default in the delivery of the Vessel with everything belonging to her in the manner and within the time herein specified, the depend their at these be removed to the Duyers and in addition the Sallers shall, when such delimit is due to their negligent or intentional acts or emissions, make due compensation for loss examed by their non-fulfilment of this Agreement.

15. ARBITRATION

Any dispute which set is this Agreement shall be minuted to account to be in the Telepo by the Telepo Maritime Artifician Commission (TTMANT) at The Impart Shipping Students, the telepolates while the minute of TCMANT at the Constraint of the Agreement of the A

The additional clauses from 15 to 23 shall be should to be fully incorporated in this Agreement.

:

IN WITNESS WHEREOF the Sellers and the Buyers have signed and executed TWO COPIES of this Agreement the day and year lieu above written.

THE SELLERS

Ocean Elife Shipholding Limited

by : SARURO (IUA)

Title: Director/Attorney-In-fact

THEBUYERS

Occur Allia Shipping, Ltd.

Title: Director/Attorney-in-fact

 (\Box)

Additional Ciquees to Memorandum of Agreement dated 24th October 2005 M.V. "OCEAN ELLIE"

- 16. The Vessel's continuous Hull and Machinery survey cycles are to be up-to-date with no outstanding or extensions at the time of delivery.
- 17. The Vessel shall be delivered with everything belonging to her on board, ashore and on urder, including stores, provisions, spare parts, lubricating oils, navigational aids and wireless station, used or unused. Forwarding charges, if any, shall be for the Buyers' account.

At the time of delivery the Sellers shall hand to the Buyers the Classification certificate(s) as well as all plans which are on board the Vessel. Other certificates which are on board the vessel shall also be handed over to the Buyers unless the Sellers are required to regaln same in which case the Buyers to have the right to take copies. Other technical documentation which may be in the Sellers' possession shall be promptly forwarded to the Buyers at their expense, if they so request. The Sellers may keep the Vessel's logbooks but the Buyers shall have the right to take copies of the same.

- 18. The Sellers shall confirm in writing at the time of delivery that to the best of their knowledge the Vessel is not blacklisted by the Arab Boycott League in Damascus or any other government or organization.
- 19. The Buyers shall have the right at their risk and expense to place onboard up to two (2) representatives for familiarisation purposes only without interference to the Versul's operation for the duration of the Vessel's last voyage prior to delivery. The Buyers' representatives shall sign the usual indemnity forms.
- 20. The Vessel shall be delivered with holds in 'as is' condition.
- 21. No dry-docking clause shall apply, however the Buyers have the right, at their risk and expense, to conduct, prior to delivery, an underwater survey of vesset's bottom and underwater parts, in the presence of Class surveyor and the Buyers' and Sollers' representatives. If the Buyers elect to earry out such an inspection, the same is to be carried out as soon as practically possible after vessel arrives at the delivery port. The Sollers are not obliged to deviate the vessel to a suitable location for this purpose unless fully compensated therefor by the Buyers.

if any damage affecting the vessel's clean maintenance of Class be found to bottom or underwater parts, then the vessel is to be dry-docked in accordance with the terms of Cl.6 of the Nipponsale Form 1993, in which case the Buyers have the right to carry out their own minor works and paint vessel's bottom without interference to the Sellers' works, at the Buyers' time, risk and expense,

Additional Clauses to Memorandum of Agreement dated 24th October 2005 M.V. "OCEAN ELLIE"

in case the vessel is dry-docked, then the cancelling date is to be extended by the number of days used for the dry-docking, waiting time for dry-dock and deviation, if the Buyers' works are not completed by the time that the Sellers have completed their works in accordance with the agreed terms/conditions, then the Sellers have the right to tender notice of readiness in dry-dock and deliver the versel; however, undecking costs always to be for the Sellers' secount.

In case Class requires repairs to underwater parts but approves postponement of such repairs until the vessel's next scheduled dry-docking, then the Sollers have the option either to bear the actual direct repair costs incurred at the next drydocking or to propose monetary settlement, which to be mutually agreed.

- 22. As soon as possible after execution of this Agreement, the Suyers shall provide a list of closing documents which are reasonably required and, after agreement by the Sallers, the same is to be attached to this Agreement as an Addendum.
- 23. This sale and all negotiations involved are to be kept strictly private and confidential between the parties directly involved.

Picst Original

secoci 16/12/1965 Amended 13/7/1971 tesended | 6/ 1/1977 Amended 9/9/1973 The Documentary Commince of The Japan Shipping Exchange, Inc. MEMORANDUM OF AGREEMENT Code Name; NIPPONSALE 1993

Copyright Published by The Japan Shipping firefunge, live

Date: 24th October 2005

IT IS THIS DAY MUTUALLY AGREED between the Sellers munkioned in (i) below ("the Sellers") and the Buyers mentioned in (ii) below ("the Buyers") that the Sellers shall sell and the Buyers shall buy the Vessel named in (iii) below with particulars mentioned in (iv) - (viii) below ("the Vessel"), which has been accepted by the Buyers to a much of their inquestion in the Month of commission of his Clean Reserve [this rate therefore below contribut without further inspection. except as provided herely), on the following terms and conditions:

- (i) Sellers: Pacificarall Shipping Limited, of Cyprus
- (ii) Buyers: Delay Shipping, Ltd., of The Marshall Islands
- (iii) Vessel's name: 'OCEAN DARSY'
- (iv) Fing: Cypres (v) Class: NK
- (vi) Built (year and builder's name): 1994; Shin Enrushima Dockyard Co., Ltd.
- (vii) Gross register tonnage: 8.417 (viii) Summer dead-weight tonnage: 14.379 metric tons.

1. PRICE

The Purchase Price of the Vessel shall be \$449.031.762 (Japanese Ves Four Bundred and Forty Nine Million Thirty One Thousand Seven Hundred and Slaty Two only) payable in cash.

2. PAYMENT

- (a) As mounty for the fulfilment of this Age of the Parchage maney to a bank norminated by the Sallors within three (7) burising days from the on of the Sallers and the Daywer which shall be paid to the Sallers no a part of the Purchase Macroy is the man marker so the pirety (99) per morned are the deposit shall be for the Days oharges an the deposit shall be been squally by the Sellers and the Dayers.
- (b) The Buyers shall remit the belones 196% of the Purchase Money by selegraphic transfer to their own screppet as a suspension account in the said a bank nominated by the Sellers intest 2 (two) banking these prior to the expected date of delivery immediately after the believe of Rossiness for Delivery is tendered by the College to per Clause 7 of this Agreement. This believes Perchase Money shall be paid out to the Seliers together with the paid ten (10) per cent deposit against the Protocol of Delivery and Acceptance being duly signed by the representatives of both parties at the time of delivery of the Vessel. Any bank fees charged for the heading and/or titting funds amiliar closing shall be comelly shared between the Selbers and the Berrers.
- 3. DOCUMENTATION her also Clause 22
 - At the time of this very of the Versel, the College shall flurish the Buyers with the following decuments:
 - (a) the Bill of Cole, duly estuded by a Nobery Public, epocifying that the Vescel encursiveness and maritime lines.
 - (b) a latter five: On Sollers, undertaking to m promptly effer the Vessella deliverys and

(c) miels nikes openmento as may be musually agreed.

Closing and exchange of documents shall take place at the Sellers' nombasted place to Japan

4. DELIVERY TIME AND PLACE

- (a) The Sellers shall deliver the Vessel to the Buyers pately affinat, free of corpo aven around 8th December 2005, (see before 1902, and not lake the Cibe cancelling date. In case for any respon beyond the experce of the Boyers and Sellers the Vestel carried to delivered at the above time, delivery shall take place on an alternative date acceptable to both ORIX Corp., and the Bayers' Bank, ABN AMIRO, but in any case latest by 15° December 2005.
- (b) In the even that the Sellers fall to make the Voscol ready for delivery on we before the senselling date, the Day are chall have the space of semiclaring or encoding this Agreement, provided such spiles thell be declared in arriving within forty sight (45) hours (Saundaya Sundaya and Holidaya manaphal) floor the senselling data. However, any delay not proceeding thirty (50) days sound by system and/as repairs in order to pass the imposition under Cinese & of this Agreement chall becauseled by the Dayson
- (e). The Sellers shall been the Buyers informed of the Veccel's stimutely and give the Buyers thing. (30) William (15) lower (7) three (3) days notice of approximate superior place and date of residence

5. DELIVERY CONDITION

The Sellers shall deliver to the Buyers the Vessel substantially in the same "as is" condition so when the Vessel was inspected of the place mentioned in the purally lair tree and two accepted, but with her present that metablised free from outstanding recommendations and average damage effecting her present class with all her class, national and international trading certificates, clean and valid at the time of delivery. In case say recommendations are placed on the Vessel prior to delivery, then the Vessel will be delivered with those recommendations.

6. DRVDOCKING - no Drydocking Cleans shall apoly (but see also Clause 21)

For the impention by the Classification Society mentioned in (v) of the present to of the Vessel's bottom and other medianesses parts hallon the automose lead line ("bottom and other medianesses parts"), the and other-understand parts maken; the description line ("buttom and other understand parts of the parts in descriptions, and the parts of descriptions, and the parts of the p

to affect the Vessel's steen continues of class. On some shall be made good at the Sallars' expanse to the Classification Society's calletern as a to retain the Vessel's alone without qualification.

Withoute Vessel is in dry feels and if required by the Buyers or the Classification Couley's manayor, the tail and shall be drawn, and about the same be readened as feated delication or as as affect the Vessel's also could have been about the ballone as about it shall be renoved to made good of the Sallone assessed to the ailleating Society's actionation to as to estain the Vestal's class without qualification.

The stree of denting and replacing the tail and shall shall be borne by the Huyara unless.

out of Roydest for af the Classification Couldn't surveyor shall be paid by the Duyoro unlaw the entitle, peopuller, beatom, other undervious pure or half and shall be found broken, darraged or defeative as aforesaid, in which case the Fellow shall pay those sequences.

The Sellars alsoli pay old seems of transporting the Vassel to the drydeck and flace the drydeck to the

7. HOTICE OF READINESS AND LIQUIDATED DAMAGES

y'r mawayar inilawing the imperion Miles the Manual chall be decreed made for delicury and they water i sangles to the Copues a motion of sandista

The Suyara shell take over the Vessel within three (2) benting days from the day of the receipt of such

in the event of the Buyers not taking delivery of the vessel within the period by the latest date specified above, the Buyers shall pay to the Sellers the sum of USE6.000 (United States Dollars Six Thomsaids per day as liquidated damages antill the Vessel is delivered, but such detention shall not exceed ten (10) days.

& FORCE MAJEURE

Should the Versel become an actual or constructive total loss before delivery or not be able to be delivered through outbreak of war, political seasons, restraint of Governments, Princes or People, or my other cause which adder party hereto carnot prevent, this Agreement shall be deemed to be null and void, and the disposit shall at once be enterned to the Buyers, but the Buyers shall be compensated under Insurance provisions elsewhere.

9. ALLOCATION OF RISK

The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Buyers, and after the delivery of the Vessel in accordance with this Agreement the Sellers shall have no responsibility for any possible fault or deficiency of any description.

10. BELONGINGS AND BUNKERS - see also Chose 17

rd as an object, and or unused, manys make things so are in the account season of symptions used By the puried between the supposition inspection and delivery. Forwarding charges, if any chall he for the Engage account.

d pay the Selien for remaining bunkers and unused lubricating ails at fast purchased priors oridered by supporting venture. Sunkers belong to the Charteress and no prayment shall be made at the time of delivery Payment under this Clause shall be made at the prior to delivery in the same our energes the Paretice Aleney.

The Sellers shall provide an inventory list for the Buyers at the time of delivery.

IL EXCLUSIONS FROM THE SALE - BER AND CLARK 17

Sellers' flag as name, provided they exhains to far the same as singuals another of circilers thems: Backs, apprend and forms star, engineers for the Sellers' remain, shall be talk beliers delivery.

Personal effects of the Master, Officers and Crew including slop chest, and hired equipment and restant enters of the Managers are excluded from this sale and shall be removed by the College prior to the Managers are excluded from this sale and shall be removed by the College prior to the Venet. The Seffers are also to advise any hired equipment and conjugated belonging to the Managers (Kevines Mariènes Ca. Lat.Ark Spigmanagement (K.K.) Co. Lat.) All such equipment shall remain any board the Venet multi terraination of the Management Agreement between the Selbert and the Venet's Managers.

12. CHANGE OF NAME ETC.

13. ENCUMBRANCES ETC.

The Seilers shall deliver to the Buyers the vessel free from all deben encumbrances and maritime fiens and any other debts whatpoever, other than those which are the responsibility of the Suvers.

The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Vessel in respect of liabilities incurred prior to the time of delivery, except insofar as such claims. are the responsibility of the Buyers.

14. DEFAULT AND COMPENSATION

Should the Buyers fall to flatfil this Agreement, the Sellers have the right to cancel the Agreement, in which were the deposit shall be fertilized to the Sellars. If the deposit does not sever the Sellars' loss sessed by the Region can full mean of this Agreement, the Sellars shall and be entitled to claim further componation from the Buyers for any loss and for all expenses.

If the Sellers should default in the delivery of the Versel with everything belonging to her in the manner and within the time herein specified, the deposit shall at once be returned to the Buyers and in addition the Seilers shall, when such default is the to their negligent or intentional acts or omissions, make due compensation by loss caused by their non-fulfillment of this Agreement.

15. ARBITRATION

Any dispute arising our of this Agreement shall be submitted to subinstain bold in Tokyo by the Tokyo Addition Commission ("TOMAG") of The Japan Chipping Passange loss in superfense with the raise of TUNIAC and may accommond thereto, and the award given by the arbitrature shall be and binding as both passion. This Agreement shall be governed by and countried in accordance with Easting law and any dispute strikes out of this Arramont that he caferred to arbitration to London in accordance with the Arbitration Acts 1950 and 1979 or any statumery modification or re-enectment reserved for the fine being in force, one arbitrator being appointed by each party. On the receipt of the appalestics to writing of the other party's arbitrator, that party shall appoint their aristizator within fourteen days, failing which the decision of the stayle arbitrator appointed shall apply. If two arbitrators properly appointed thall not agree they shall appaint as unipire whose devision shall be final.

The additional clauses from (6 to 23 shall be deemed to be fully incorporated in this Agreement.

IN WITNESS WHEREOF the Sellers and the Buyers have signed and executed TWO COPIES of this Agreement the day and year first above written.

THE SELLERS

Pacificual Shipping Limited

By : SAZURE (WAS Tide: Director/Atto-ney-lo-fact THE BUYERS

Daisy Shipping, Ltd.

CHAMALAMPS 2106 AS By:

Tille: Director/Attorney-in-fact

Additional Clauses to Memorandum of Agreement dated 24th October 2005 MLV. "OCEAN DAISY"

Document 1-7

- 16. The Vessel's continuous Hull and Machinery survey cycles are to be up-to-date with no outstanding or extensions at the time of delivery.
- 17. The Vessel shall be delivered with everything belonging to her on board, ashore and on order, including stores, provisions, space parts, lubricating oils, navigational aids and wireless station, used or unused. Forwarding charges, if any, shall be for the Buyers' account.

At the time of delivery the Sellers shall hand to the Buyers the Classification certificate(s) as well as all plans which are on board the Vessel. Other certificates which are on board the vessel shall also be handed over to the Buyers unless the Sellers are required to retain same in which case the Buyers to have the right to take copies. Other technical documentation which may be in the Sellers' possession shall be promptly forwarded to the Buyers at their expense, if they so request. The Sellers may keep the Vessel's logbooks but the Buyers shall have the right to take copies of the same.

- 18. The Sellers shall confirm in writing at the time of delivery that to the best of their knowledge the Vessel is not blacklisted by the Arab Boycott League in Damascus or any other government or organisation.
- 19. The Buyers shall have the right at their risk and expense to place onboard up to two (2) representatives for familiarisation purposes only without interference to the Vessel's operation for the duration of the Vessel's last voyage prior to delivery. The Buyers' representatives shall sign the usual indemnity forms.
- 20. The Vessel shall be delivered with holds in 'as is' condition.
- 21. No dry-docking clause shall apply, however the Buyers have the right, at their risk and expense, to conduct, prior to delivery, an underwater survey of vessel's bottom and underwater paris, in the presence of Class surveyor and the Buyers' and Seliens' representatives. If the Buyers elect to carry out such an inspection, the same is to be carried out as soon as practically possible after vessel arrives at the delivery port. The Sellers are not obliged to deviate the vessel to a suitable location for this purpose unless fully compensated therefor by the Buyers.

If any damage affecting the vessel's clean maintenance of Class be found to bottom or underwater parts, then the vessel is to be dry-docked in accordance with the terms of CL6 of the Nipponsale Form 1993, in which case the Buyers have the right to carry out their own minor works and paint vessel's bottom without interference to the Sellers' works, at the Buyers' time, risk and expense.

Additional Clauses to Memorandam of Agreement dated 24th October 2005 M.V. "OCEAN DAISY"

In case the vessel is dry-docked, then the cancelling date is to be extended by the number of days used for the dry-dooking, waiting time for dry-dock and deviation. If the Buyers' works are not completed by the time that the Sellers have completed their works in accordance with the agreed terms/conditions, then the Sellers have the right to tender notice of readiness in dry-dock and deliver the vessel; however, undocking costs always to be for the Sellers' account.

In case Class requires repairs to underwater parts but approves postponement of such repairs until the vessel's next scheduled dry-docking, then the Sellers have the option nither to bear the actual direct repair costs incurred at the next daydocking or to propose monetary settlement, which to be mutually agreed.

- 22. As soon as possible after execution of this Agreement, the Buyers shall provide a list of closing documents which are reasonably required and, after agreement by the Sellers, the same is to be attached to this Agreement as an Addendum.
- 23. This sale and all negotiations involved are to be kept strictly private and confidential between the parties directly involved.

Tradewinds (Page 12)

Athens manager in win-win situation

Gillian Whittaker

Athens

ners Ion Varouxakis and the Goursplit-up of former FreeSeas part to be the big winner from the Shipmanagement of Athens looks Babis Ziogas-controlled MFS ties go for fleet expansions. domichalis brothers as both par-

of the four bulkers Nasdaq-listed domichalis's privately held comis acquiring for \$114m, while George and Stathis Gour-FreeSeas announced this week it pany, G Bros, also recently bought MFS has emerged as the seller

a ship out of the MFS fleet for \$17m.

(ex-Olympian Goddess, built 2002), \$25.25m for the 24,300-dwt Free Hero (ex-Ocean Ocean Daisy, built 1994). \$15m for the Free Gentleman (ex-Ocean Harmony, built 1996) and the 23,500-dwt Free Iris (ex-Phoenix, built 1995), \$26.75m for for the 47,000-dwt Free Jupiter FreeSeas says it is paying \$47m

Gentleman will operate in the FreeSeas says, while the Free Three of the four ships will opunder time cherters,

ships under management, the 52,000-dwt Asian Friendship built 2005) and 17,400-dwt Sider Unity (built 1995). Century and Asian Hope (both (built 1993), 18,800-dwt *Asian* The sales leave MFS with four The Asian Friendship was ac-

2006 for a reported \$23.3m. quired as the Prex in November Unity was reported sold to Eastern interests for \$11.7m In the same month the Sider

spot market. The sale by MFS to G Ocean Ellie (built 1996). Bros involved the 17,300-dwt

않 보는 보는 무슨 없

or print = よりほう

Nick Shepherd

Subject: Freeseas

Press Releases

Freeseas Acquires Fleet of Four Modern Drybulk Carriers; Increases Fleet to Slx Vessels -Transaction to Triple DWT of Fleet, Lower Average Age from 24 to 15 Years--First Acquisition Under New Management and Shareholder Structure-

May 7, 2007 Piraeus, Greece - FreeSeas Inc. (NASDAQ: FREE, FREEW and FREEZ), a provider of seaborne transportation for dry bulk cargoes, announced today that it had agreed to purchase four second-hand drybulk carriers from non-affiliated parties for approximately US\$114 million.

Of the four vessels, three will operate under fixed-rate period time charter contracts, and one will operate in the spot market. The M/V Free Hero will join the FreeSeas' fleet while serving an existing time charter at a gross rate of \$14,500 until December of 2008 with an option until February 2009. For the M/V Free Jupiter and the M/V Free Iris, FreeSeas intends to enter into two to three year time charters that will commence upon delivery of these vessels to FreeSeas. The remaining vessel, the M/V Free Gentleman, will operate in the spot market.

The following table details the vessels acquired as part of the transaction announced today.

Name	Class	DWT	Bullt	Fian	Purchase Price	Delivery Date	Employment
FREE JUPITER	Handymax	47,777	2002	Marshall Islands	US\$47.00M	July/August 2007	3-year Time Charter Pending
FREE HERO	Handysize	24,318	11445	Marshall Islands	US\$25.25M	June/July 2007	Currently Fixed to 2-year Time Charter through Dec 08/Feb 09
FREE IRIS	Handysize	23,524	1996	Marshall Islands	US\$26.75M	July/August 2007	2-year Time Charter Pending
FREE GENTLEMAN	Handysize	14,379	1994	Marshall Islands	US\$15.00M	June/July 2007	Spot

The Company believes that the current drybulk rate environment presents numerous opportunities for advantageous chartering and the establishment of long-term relationships with high-quality charterers. New charters should provide increased cash flow to finance future growth, including the acquisition of additional vessels, and working capital to move forward on the new corporate strategy initiated in January.

In aggregate, FreeSeas will add approximately 110,000 DWT to its fleet, more than tripling its current 50,000 DWT capacity to 160,000 DWT. Additionally, the average age of the fleet shall decrease considerably from 24 years to 15 years. FreeSeas' fleet will be enhanced in several categories, as indicated in the following chart.

	Pre-Acquisition	Post-Acquisition
Number of Vessels	2	6
DWT	50,000	160,000
Avg. Age of Fleet	24 years	15 years
Est. Market Value of Fleet	\$18 mil/lon	\$132 million
Available days for hire	710	2,130

To finance the acquisition of these vessels, FreeSeas has entered into agreements with several funding sources, as follows:

- Up to US\$11million in balance sheet cash, including US\$6.0 million from the recently closed sale of the M/V Free
- US\$89 million in acquisition debt: US\$67 to US\$68 million under a senior loan from HSH Nordbank and US\$21.5 million in a junior loan from Bank of Tokyo Mitsubishi; and
- Up to US\$14 million in the form of a new non-amortizing shareholder loan.

The shareholder loan will accrue 12.0% interest on a yearly and "pay-in-kind" basis and no cash payments will be due before the final settlement of the loan. Additionally, the Company will issue to the shareholder, FS Holdings Ltd., a company owned by members of the Restis family, 50,000 warrants exercisable at US\$5.00 for every US\$1.0 million drawn under the shareholder

"With this important event, FreeSeas enters the next phase of its growth plan," said Mr. Ion Varouxakis, Chairman of the Board, President and Chief Executive Officer. *As we stated in January of this year, our recent management and shareholder realignment was geared primarily toward further expanding and modernizing our fleet. We believe this transaction clearly shows that we are executing on that strategy. Going forward, we will look to expand our presence in the drybulk sector and provide opportunities to increase shareholder value by securing employment for our vessels in the current high drybulk charter rate environment."

About FreeSeas Inc.

FreeSeas Inc. is a Marshall Islands corporation with principal offices in Piraeus, Greece. FreeSeas is engaged in the transportation of dry bulk cargoes through the ownership and operation of dry bulk carriers. Currently, it has a fleet of two Handysize vessels. FreeSeas' common stock and warrants trade on the NASDAQ Capital Market under the symbols FREE, FREEW and FREEZ, respectively. Risks and uncertainties are described in reports filed by FreeSeas Inc. with the US Securities and Exchange Commission, which can be obtained free of charge on the SEC's website at www.sec.gov. For more information about FreeSeas Inc. please go to our corporate website www.freeseas.gr.

Forward-Looking Statements

This press release contains forward-looking statements (as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events and the Company's growth strategy and measures to implement such strategy, including expected vessel acquisitions. Words such as "expects," "intends," "plans," "balleves," "anticipates," "hopes," "estimates," and variations of such words and similar expressions are intended to Identify forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Company. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in the demand for dry bulk vessels; competitive factors in the market in which the Company operates; risks associated with operations outside the United States; and other factors listed from time to time in the Company's filings with the Securities and Exchange Commission. The Company expressly discialms any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

For further information please contact:

Company Contact: Ion Varouxakis Chief Executive Officer FreeSeas Inc. 89 Akti Miaouli Street 185 38 Piraeus, Greece Tel: 011-30-210-45-28-770 Fax: 011-30-210-429-10-10 E-Mail: info@freeseas.gr www.freeseas.or

Investor Relations / Financial Media: Thomas J. Rozycki, Jr. Sr. Vice President Cubitt Jacobs & Prosek Communications 350 Fifth Avenue - Suite 3901 New York, NY 10118, USA Tel: +1.212,279,3115 x208 Fax: +1.212.279-3117 E-Mall: trozycki@cjpcom.com www.cjpcom.com

Anthony Kandylidis Drybulk S.A. OMEGA BUILDING 80, Kifissias Av., GR-15125 Amaroussion Greece Phone: +302108090506 Fax +302108090586

Mobile: +306944323939 E-mail: ak@cardiff.gr

INTERNATIONAL LAW FIRM

International House 1 St Katharine's Way London E1W 1UN DX 1070 London City

Tel +44 20 7481 0010 Fax +44 20 7481 4968 www.incelaw.com

> 19 July 2007 By E-mail

Cardiff Marine Inc Omega Building 80 Kifissias Avenue Amaroussion 151 25 Greece

Attn: Mr George Economou/Mr Aris Ioannidis

Your Ref

Our Ref

NS/MH/8262/8648

Dear Sirs

Ocean Trade S.A. & Others v Babis Ziogas & Others

In light of recent developments in this matter we wanted to take this opportunity to let you have a short opinion on the fiduciary duties and obligations of an agent to his principal under English law.

Duties and obligations of the agent to the principal

In entering into a written or oral agency agreement, the law usually treats an agent as a fiduciary and thus requires him to fulfil a range of duties which equity imposes on fiduciaries. The extent to which these apply and the strength of their application vary according to the nature and circumstances of the agency agreement. The fiduciary duties and obligations of an agent will generally include (but are not necessarily limited to) the following:

- a duty to act loyally towards the company1;
- a duty to act in good faith in the best interests of the company;
- a duty to keep and be prepared to render accounts of his dealings on behalf of his principal;
- a duty to subordinate his own interests to those of his principal;
- a duty to avoid conflicts of interest between the principal and other principals; and
- a duty to refrain from using his position as agent to acquire for himself property, contracts, business opportunities or other benefits which he ought (if acquiring them at all) to do so for his principal².

It goes without saying that an agent may not receive a bribe or secret commission. If he does so, the principal may claim the bribe in an action for money had and received or recover as damages in tort any loss he suffers as the result of entering into the transaction to which the bribe relates.

Bristol and West Building Society v Mothew [1998] Ch 1, per Millett LJ, at 18; Bowstead and Reynolds para 6-032 ff. Note, in this regard, that an agent's duty to produce accounts relating to the period of his agency



19 July 2007

While the law does allow various duties to be qualified or even excluded by agreement with the principal after full disclosure by the agent of all material facts, it is a fundamental rule under English law that an agent or other fiduciary cannot exclude liability for fraud or other wilful default.³

What remedies are available to a principal for an agent's breach of duties/obligations?

The remedies available to a principal for breach of an agent's contractual duties are the normal remedies available for breach of contract, including damages. The remedies for breach of fiduciary duty vary according to circumstances. They include personal remedies, such as an account and payment of monies received for the principal, compensation by way of equitable debt for loss caused to the principal, and confiscation of a bribe or secret commission received by the agent; and remedies for the enforcement of proprietary rights, such as a constructive trust of money or other assets received by the agent for himself which he should have received (if at all) for his principal, and the proceeds from the principal's property which the agent has misappropriated.

Summary

We trust that the above short opinion is of assistance. However, perhaps the best way to summarise the duties and obligations of a fiduciary under English law would be to quote the dictum of Millett LJ in Bristol & West Building Society v. Mothew [1998] Ch 1 at page 18:

"A fiduciary is someone who has undertaken to act for or on behalf of another in a particular matter in circumstances which give rise to a relationship of trust and confidence. The distinguishing obligation of a fiduciary is the obligation of loyalty. The principal is entitled to the single-minded loyalty of his fiduciary. This core liability has several facets. A fiduciary must act in good faith; he must not make a profit out of his trust; he must not place himself in a position where his duty and his interest may conflict; he may not act for his own benefit or the benefit of a third person without the informed consent of his principal. This is not intended to be an exhaustive list, but it is sufficient to indicate the nature of fiduciary obligations. They are the defining characteristics of the fiduciary".

Yours faithfully,

Ince & Co

continues after the agency relationship has ended (Yasuda Fire and Marine Insurance Co of Europe Ltd v Orion Marine Insurance Underwriting Agency Ltd, n 15).

³ HIH Casualty and General Insurance Ltd v Chase Manhattan Bank [2003] 2 Lloyd's Rep 61.





Poles, Tublin, Stratakis, Gonzalez & Weichert, LLP

Established 1957

July 19, 2007

46 Trinity Place New York, NY 10006 Tel: (212) 943-0110 Fax: (212) 269-9875

Ince & Co. International House 1 St. Katherine's Way London EIW 1Ay England

127 East Mt. Pleasant Ave Livingston, NJ 07039 Tel: (973) 992-3555 Pax: (973) 992-9397

Attention: Nick Shepherd & Mark de la Haye, Esq.

5-7 Filellinon St. Piracus 18536 Greece Tel: 011 30210 429 4200 Fax: 011 30210 429 4625

www.polestublin.com reception@polestubiln.com

Dear Mr. Shepherd & Mr. de la Haye:

You have asked us to explain the fiduciary obligations of a director of a corporation organized under the laws of the Republic of Liberia.

We have acted as advisers to you on matters of Liberian law, and, although not qualified in the laws of nor admitted to practice before the courts of the Republic of Liberia, we are familiar with and experienced in the company and contract laws of the Republic of Liberia. This opinion is limited to the law of Liberia as at the date hereof and is given on the basis that it will be governed by and construed in accordance with the law of the Republic of Liberia. We express no opinion about the laws of any other jurisdiction.

Directors, as well as officers, of Liberian corporations are obligated under Liberian corporate law to exercise their duties "in good faith and with that degree of diligence, care and skill which ordinarily prudent men would exercise under similar circumstances in like positions." (Section 6.14, Business Corporation Act)

Notwithstanding the foregoing, a director is protected from personal liability if the director acts in good faith reliance upon "the records of the corporation" or upon "information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation." (Section 6.14, Business Corporation Act)

Liberian law generally absolves corporate directors and officers of personal liability for corporate debts and obligations. (Section 2.6, Business Corporation Act). However, personal liability may be imposed upon a director in the following three instances:

> (a) Any breach of the director's duty of loyalty to the corporation or its shareholders or members;

July 19, 2007 Page 2 Nick Shepherd & Mark de la Haye, Esq.

JCS/jf

- (b) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (c) Any transaction from which the director derived an improper personal benefit. (Section 2.6, Businesss Corporation Law)

Furthermore, the personal liability imposed above applies not only to appointed directors, but to other persons who, (pursuant to the provisions of the company's Articles of Incorporation or registration), exercise or perform corporate powers "otherwise conferred or imposed upon the board of directors."

This opinion is strictly limited to the matters stated in it and does not apply by implication to any other matters.

Very truly yours,

POLES, TUBLIN, STRATAKIS, GONZALEZ & WEICHERT, LLP Poles Tublin Stutelin Congreley + Wentert, LLP

18-07-2007 20:43

FROM- SCORINIS LAW OFFICES

SCORINIS LAW OFFICES

Nicholas G. Scarinis F. Scorini - Paparilgopoulou George K. Papadopoulos Dimitrios Th. Lais George D. Pavis John E. Vrelios Arteria G. Bagouli George P. Tranakidis Maria G. Botsi Evangelia S. Mitsou George N. Scotinis Evanthia N. Scorini Dimitrios V. Korais

+30 210 4181822 T-836 P.001/003 F-987 67. IROON POLYTECHNIOU AVENUE GREECE GR-185 36 PIRAEUS

Telephones

+30 210 418 18 18 +30 210 452 58 49

Fax E-mail +30 210 418 18 22 mail@scotinis.gr

8262

Your Ref.

Our Ref.:

19 July 2007

Ince & Co International House 1 St Katharine's Way London, E1W 1AY England Attn: Mr. Nick Shapherd

Dear Sirs,

Re: Ocean Trade S.A. & Others y Babls Zlogas & Others

You have asked us to provide our advice upon potential claims in tort which may be governed by Greek law.

Your client is Ocean Trade S.A. of Liberia, who is presently involved in a dispute with its former manager/agent, Mr. Charalambos (Babls) Ziogas and various companies owned/controlled by him ("the Ziogas companies").

We understand from you that Mr. Ziogas negotiated and concluded on behalf of Ocean Trade an agreement with the Japanese company Keymax Maritime Co Ltd, under which Keymax had to arrange for purchase options to be issued by its subsidiaries / affiliates in favour of Ocean Trade in respect of 6 ships. You advise that Mr. Zlogas kept the existence of that agreement secret from other participants in Ocean Trade and later arranged for a new agreement with Keymax for purchase options to be Issued in favour of a company owned / controlled by Mr. Ziogas. You

F::WIN-DATA/LETVelines.doc//190707

19-07-2007 20:43

FROM- SCORINIS LAW OFFICES

+30 210 4181822

T-836 P.002/003 F-997

SCORINIS LAW OFFICES

Date.

mentioned that apparently all this was done at a time when Mr. Ziogas continued to act as the managing director of Ocean Trade. At a later stage, companies owned Icontrolled by Mr. Ziogas exercised the purchase options and then became the registered owners of the vessels, having been the bareboat charterers before this.

On the assumption that the wrongful acts or omissions were committed in Greece, you have asked us to advise whether Ocean Trade has a cause of action under Greek law against the companies owned / controlled by Mr. Ziogas that became the bareboat charterers and then the registered owners of the Ocean Harmony, Ocean Phoenix, Ocean Daisy and Ocean Ellie.

Our Advice

In accordance with article 26 of the Greek Civil Code "obligations arising from tort are governed by the law of the country where the tort was committed. Additionally, article 914 of the above Code, which is the first article of a chapter titled "Torts", defines the meaning of a tort as follows: "A person who unlawfully and through his fault has caused prejudice to another shall be liable for compensation". The requirements for the application of the said article 914 are the following:

- a) Unlawful behaviour.
- b) Fault. This includes both intention and negligence, but one is sufficient.
- c) Damages (Prejudice) and
- d) A causation link exist between the unlawfulness/faulty behaviour and the damages.

In this case it goes without saying that Mr. Ziogas committed a tort against Ocean Trade because he did not disclose to them the option agreement he concluded following instructions and on their behalf, an omission which constitutes an undisputed breach of his duties to his principals and namely of his duty to inform them regarding the assignment that he undertook (article 718 of the Greek Civil Code) and of his duty to return whatever he acquired in executing such assignment (article 719 of the Greek Civil Code) . Further to the above, the Ziogas' Companies being aware of the said tort (since they are represented/controlled by Mr. Ziogas) either where used in order that the latter to become the real owner of the vessels through the corporate veil of same or they (the Ziogas' companies) took advantages of this unlawful situation to become owners of the vessels. If the first case applies then Ocean Trade can ask for the lifting of the corporate vell of said companies in

FAWIN-DATAILETVerince.doci/190707

18-07-2007 20:43 FROM- SCORINIS LAW OFFICES

+30 210 4181822

SCORINIS LAW OFFICES

Page.....

T-836 P.003/003 F-997

order that the vessels to be considered as truly owned by Mr. Ziogas personally which may constitute ground for a claim going to the ownership of the vessels. The lifting of the corporate veil of the Ziogas' companies can be grounded upon the article 281 of the Greek Civil Code prohibiting the abuse of rights including the use of the corporate veil of companies to try to protect against personal liability for the commission of torts. Should the second case apply then Ocean Trade has a claim for compensation against the Ziogas' companies because they harmed their interests in a fraudulent way against the good morals as provided in article 919 of the Greek Civil Code.

In view of the above, we are of the opinion that Ocean Trade in either of the above cases has a claim against the Ziogas' companies under Greek law if they intentionally deprived and/or they were used by Mr. Ziogas in order for Ocean Trade to be deprived of its contractual rights under the Keymax Master Agreement and the benefits thereunder.

The obligations of an agent (fiduciary) under Greek law

Under article 718 of the Greek Civil Code the agent has an obligation to Inform his principal in respect of the assignment he undertook and to give account to his principal after the carrying out of the mandate.

Under article 719 of the Greek Civil Code, the agent has an obligation to return to the principal whatever he has received for the execution of the mandate or [whatever] he has acquired in executing the mandate.

Also the Courts have held that the agent is obliged to carry out the matter assigned to him, in accordance with the instructions of his principal and if there are no such instructions, to do whatever the nature of the case and the interest of the principal imposes. Furthermore it is accepted by the academics that the obligations of the agent is to carry out the assigned matter, in accordance with good faith and the commercial ethics, as same are provided in articles 200 and 288 of the Greek Civil Code.

Yours faithfully

SCORINIS LAW OFFICES

P.WIN-DATAY ETVesnondeeth 80707

OKABE & YAMAGUCHI

COUNSELLORS AT LAW

9TH FL., YOKOKAWA BLDG 17-27, SHINKAWA 1-CHOME CHUO-KU, TOKYO 104-0033 TEL: +81 (3) 3555-7931 FAX: +81 (3) 3555-7934 E-mail: hoklawj@olo.gr.jp URL: http://www.olo.gr.jp

To: Ince & Co
International House
1 St Katharine's Way
London, EIW IAY
England
FAO: Mr Nick Shepherd

19 July 2007

Dear Sirs,

Re: Ocean Trade S.A. & Others v Babis Ziogas & Others

You have asked us to let you have some advice upon potential claims in tort which may be governed by Japanese law.

Your client is Ocean Trade S.A. of Liberia, who is currently involved in a dispute with its former manager/agent, Mr Charalambos (Babis) Ziogas and various companies owned/controlled by him.

We understand from you that Mr Ziogas negotiated and concluded on behalf of Ocean Trade an agreement with Japanese company Keymax Maritime Co Ltd, under which Keymax to arrange for purchase options to be issued by its subsidiaries/affiliates in favour of Ocean Trade in respect of 6 ships. You advise that Mr Ziogas kept the existence of that agreement secret from other participants in Ocean Trade and later arranged a new agreement with Keymax for the right to the purchase options to be issued in favour of a company owned/controlled by Mr Ziogas. Apparently all this was done at a time when Mr Ziogas continued to act as the managing director of Ocean Trade. At a later stage companies owned/controlled by Mr Ziogas exercised the purchase options and became the registered owners of the vessels, having been the bareboat charterers before this.

On the assumption that the wrongful acts or omissions were committed in Japan, you have asked us to advise whether Ocean Trade has a cause of action under Japanese law against the companies owned/controlled by Dr Ziogas that exercised the purchase options and became the bareboat charterers and later the registered owners of the Ocean Harmony, Ocean Phoenix, Ocean Daisy and Ocean Ellie.

M. Suzuki

OKABE & YAMAGUCHI COUNSELLORS AT LAW

9TH FL., YOKOKAWA BLDG. 17-27, SHINKAWA 1-CHOME CHUO-KU, TOKYO 104-0033 TEL: +81 (3) 3555-7931 FAX: +81 (3) 3555-7934 E-mail: hoklawj@olo.gr.jp URL: http://www.olo.gr.jp

Our Advice

We think that a tort claim by Ocean Trade lies against the companies owned /controlled by Mr. Ziogas ("the Ziogas companies") when they intentionally deprived it of the contractual rights under the Keymax Master Agreement in breach of the public order and good morals here in Japan in accordance with Art.709 of Japanese Civil Code even though both parties involved are foreign companies.

Article 709 (Unlawful act-compensation for damage):

"A person who violates intentionally or negligently the right of another is bound to make compensation for damage arising therefrom"

In this case we think that a tort was committed against Ocean Trade by the Ziogas companies based on Art.709. The Ziogas companies by entering into the bareboat charter hire purchase agreements in accordance with terms of the EWMI Master Agreement deprived Ocean Trade of its rights to the purchase options under the Keymax Master Agreement. This was a violations of the rights of Ocean Trade against the public order and good morals. A further violation of Ocean Trade's rights occurred during the second half of 2005 when the Ziogas companies took delivery of and became the owners of the Ocean Harmony, the Ocean Phoenix, the Ocean Daisy and the Ocean Ellie pursuant to various Memorandum of Agreement, as such actions deprived Ocean Trade of their rights to become the owners of the vessels by exercising the purchase options that were to be issued to them in accordance with the terms of the Keymax Master Agreement.

For the purposes of determining whether the acts of the Ziogas companies are against the public order and good morals, and whether the Ziogas companies violated the rights of Ocean Trade knowingly and intentionally, the companies will be regarded as having the same knowledge as Mr Ziogas since he owned/controlled them and therefore the companies will be considered to know what Mr Ziogas knew and to know that the purchase options should have been issued in favour of Ocean Trade in accordance with the contract that had been concluded whilst Mr Ziogas was acting as the manager and/or agent of Ocean Trade.

Yours faithfully,

Teishi Aizawa Okabe & Yamaguchi

Attorney		Marine Counsel	Claims Manager	
Hiroki Okabe Shuji Yamaguchi Taishi Aisawa	Takehiko Tozuka Kanako Ohshima Teruvuki Sago	Capt. Y. Uetani Capt. O. Azuma	Y. Yamada M. Suzuki	198

19-07-2007 20:41 FROM- SCORINIS LAW OFFICES

+30 210 4181822

T-835 P.002/002 F-996

To: Ince & Co

Attn: Mr Nick Shepherd

Re: MFS SHIPMANAGEMENT CORP (the "Company")

In accordance with your instructions, a trainee lawyer of our firm (Mrs Christina Tsakona) has carried out a search in relation to the above company on 17 July 2007 at 13.45 Greek time with the register of foreign companies, kept with the Greek Ministry of Mercantile Marine and she has found out the following:

- 1.- The Company was incorporated on 19 May 2003 initially under the name "Maritime Financial Services Corporation" in accordance with Marshall Islands taw and on 20.1.2005 has obtained a permission from the Greek Authorities to open and operate an office in Greece under Law, known as 89.
- 2.- By a virtue of Minutes dated 20 June 2004, signed by Mr Charalambos Ziogas on behalf of the Company, it is stated that the Directors of the Company are:
 - Mr Charalambos Ziogas, President
 - Mrs Efthimla Zloga, Secretary/Treasurer
- 3.- By a virtue of Minutes dated14 December 2004 both the above Directors of the Company appoint Mrs Efthimia Zioga as representative of the company in Greece.
- 4.- On 19 January 2006 the Company was renamed from "Maritime Financial Services Corporation" to "MFS SHIPMANAGEMENT CORP".
- 5.- By a virtue of Minutes dated 4 September 2006 Mrs Efthimia Zloga resigns as Director and so Mr Charalambos Ziogas becomes the sole Director of the Company. With the same Minutes Mrs Ekaterini Christelou is appointed as a new representative of the Company.

			THE MFS SHIPS - COMMONALITY OF OWNERSHIP
	AND ADDRESS OF THE PARTY OF THE		
Number	Document	Date	Comments
Newsork-many-Address-masses-ma	The state of the s		1 – 9: ASIAN CENTURY DOCUMENTS
i	First Preferred Marshall Islands Vessel Mortgage for M/V "Asian Century"	21 March 2006	Signed by MFS's legal representative, Ekaterini Christellou, Asian Century Shipping's Attorney-in-Fact.
2.	Loan Agreement for a Secured Loan Facility of up to US\$17,500,000.00 between Bremer Landesbank (as Bank /Mortgagee) and Asian Century Ltd (as Borrowers)	28 February 2006	See page 59, which states that notices, requests, demands or other communications if to be sent to any Security Party (defined as Borrowers and Corporate Guarantors, named as East-West Maritime Investments Ltd.), must be sent to MFS Shipmanagement Corp. in Greece, quoting the sole email address of Babis Ziogas (bziogas@m-fs.com).
			See also page 61, where this document is signed for and on behalf of Asian Century Shipping Ltd by Babis Ziogas pursuant to a Power of Attorney dated 21 February 2006 in the presence of Michael G. Alexiou, Asian Century's Attorney-at-Law.
ښ	First Priority Assignment of Insurances in respect of "Asian Century"	21 March 2006	No comment
4	First Priority Assignment of Earnings and Requisition Compensation in respect of motor vessel "Asian Century"	21 March 2006	No comment
ŗ.	Second Preferred Marshall Islands Vessel Mortgage in	21 March 2006	Signed by MFS's legal representative, Ekaterini Christellou, Asian Century's Attorney in-Fact, for and on behalf of Asian Century Ltd.

		A STATE OF THE STA	THE MFS SHIPS - COMMONALITY OF OWNERSHIP
Number	Document	Date	Comments
	respect of M/V "Asian Century"		
6.	up reen as	31 January 2006	This Loan Agreement between the Bank and Asian Hope Shipping is attached as Exhibit No. 1 to the Second Preferred Mortgage of M/V "Asian Century" referred to above. Asian Century Shipping Ltd is named, at page 5 of this document, as the "Collateral Owner", with the "Collateral Vessel" being the "Asian Century".
	Hope Shipping Ltd as Borrowers		Again, see page 59, all notices etc to be sent to MFS Shipmanagement Corp. to Babis' personal email account.
			See also page 61, where this Loan Agreement is signed by Babis Ziogas for and on behalf of Asian Hope Shipping Ltd.
7.	Guarantee for a Secured Loan Facility of	31 January 2006	See page 3 where the "Guarantors" are named as East-West Maritime Investments Ltd of the Marshall Islands. Again, see page 14, notices etc to be a series of the Marshall Islands.
	US\$17,500,000.000 to "Asian Hope Shipping Ltd" made		sent to MFS Suprianagement Cuty are to be some or process. account.
	between Asian Century Shipping Ltd and Bremer Landesbank		See page 16 where this Agreement is signed by Babis for and on behalf of Asian Century Shipping.
8.	Second Priority Assignment	21 March 2006	This unsigned document appears as if it would have been signed by Ekaterini Christellou for and on behalf of Asian Century Shipping Ltd.
	on insurances in respect of motor vessel "Asian Century" between Asian	e de l'Albanda de l	

N

L		Advisor many many and the state of the state		THE MFS SHIPS - COMMONALITY OF OWNERSHIP
<u> </u>				
14	Number	Document	Date	Comments
		Century Ltd and Bremer Landesbank		
	o	Second Priority Assignment	21 March 2006	No comment.
		of Earnings and Requisition		
	,	Compensation in respect of		
		motor vessel "Asian		
		Century"		The state of the s
				10 – 13: ASIAN FRIENDSHIP DOCUMENTS
	10	First Preferred Marshall	17 November 2006	See page 11, where the mortgage has been signed by Babis Ziogas under the
	· ·	Islands mortgage in respect		words "this mortgage has been executed by the duty additional tricking,"
		of m.v. "Asian Friendship"		Fact of the Owner"
		between Asian Friendship		
		Shipping Ltd (as Owner) and		
		HSH Nordbank AGN (as		
		security trustee)		
		Loan Agreement relating to a	14 November 2006	See page 2 where the "Approved Manager" is named as MF5 Shipmanagement
	· •	secured loan facility of up to		Corp.
	-	US\$67,730,000 between Ellie		
		Shipping Ltd, Harmony		See page 4 where the "Corporate Guarantor" is bast West Mantime
) 2		Shipping Ltd, Olympian		Investments Ltd, which we know to be a Babis Ziogas owned/controlled entity.
		Goddess Shipping Ltd and		
		Asian Friendship Shipping		See nage 74 where the address for all notices etc to the Borrowers (being Ellie
		Ltd and Asian Unity		Shinning Ltd. Harmony Shipping Ltd, Olympian Goddess Shipping Ltd, Asian
		Shipping Ltd (as joint and		Friendship Shipping Ltd and Asian Unity Shipping Ltd) is stated as c/o MFS
		several borrowers) on the		THE THE PARTY OF T

ŝ

		The state of the s	
			THE MFS SHIPS - COMMONALITY OF OWNERSHIP
Number	Document	Date	Comments
**************************************	one hand and various banks as "Lenders" and "Swap		Shipmanagement Corp. in Greece.
• ,	Banks" and "Agent and as Security Trustee"		See, in particular, pages 91 to 94, being the "Execution Pages" which have been signed 5 times by Babis Ziogas on behalf of the Borrowers being the five "Shipping Ltd" companies listed above.
12.	International Swaps and Derivatives Association Inc	1 November 2005	See page 24 of this Agreement which is signed by Babis Ziogas for and on behalf of the "Shipping Ltd" companies, as an "Attorney-in-Fact".
	("ISDA") Master Agreement between the Bank of Tokyo Mitsubishi Ltd on the one hand and Ellie Shipping Ltd,		The address for notices to the Shipping Ltd companies is given, at page 29, is c/o Maritime Financial Services Ltd in Greece.
	Harmony Shipping Ltd, and Olympian Goddess Shipping Ltd on the other hand		At page 32 of this Agreement are further signatures by Babis Ziogas for and on behalf of Ellie Shipping Ltd, Harmony Shipping Ltd and Olympian Goddess Shipping Ltd.
13.	Agency and Trust Deed relating to the security loan facility of up to US\$\pm\$67,730,000	November 2006	No comment.
			14 – 19: ASIAN HOPE DOCUMENTS
14.	First Preferred Marshall Islands vessel mortgage for m/v "Asian Hope" between Asian Hope Shipping Ltd and Bremer Landesbank	8 February 2006	This mortgage is signed by Ekaterini Christellou as the Attorney-in-Fact of Asian Hope Shipping Ltd.

1,03.8455.03 4833256

-		A THE REAL PROPERTY OF THE PRO	THE MFS SHIPS - COMMONALITY OF OWNERSHIP
		The second secon	
Number	Document	Date	Comments
15.	Loan Agreement for a secured loan facility of up to	31 January 2006	The "Collateral Owner" is stated as being Asian Century Shipping Ltd and the "Collateral Vessel" is "Asian Century".
	US\$17,500,000 between Bremer Landesbank (as bank/mortgagee) and Asian Hone Shipping Ltd (as		The "Corporate Guarantor" is stated, at page 6, to be each of (i) East-West Maritime Investments Ltd and (ii) the Collateral Owner.
			Again, all notices etc. if to be sent to any Security Party (Borrowers and Corporate Guarantors), must be sent to MFS Shipmanagement Corp and it specifically gives Babis's personal email address.
			This agreement is signed by Babis Ziogas (see page 61) for and on behalf of Asian Hope Shipping Ltd in the presence of Michael G. Alexiou.
16.	First Priority Assignment of Insurances in respect of motor vessel "Asian Hope" between Asian Hope Shipping Ltd and Bremer Landesbank	8 February 2006	This document is unsigned but appears as if it would have been signed by Ekaterini Christellou.
17.	First Priority Assignment of earnings and requisition compensation in respect of motor vessel "Asian Hope"	8 February 2006	No comment.
18.	Second Preferred Marshall Isles vessel mortgage in	15 March 2006	This document is signed at page 17 by Ekaterini Christellou, Asian Hope Shipping's Attorney-in-Fact.

ນາ

			THE MFS SHIPS - COMMONALITY OF OWNERSHIP
	The state of the s		
Number	Document	Date	Comments
The state of the s	respect of M/V "Asian Hope" between Asian Hope Shipping Ltd and Bremer Landesbank		
19.	Loan Agreement for a secured loan facility of up to US\$17,500,000 between Bromer Landashank (as	28 February 2006	The Borrower is Asian Century Shipping Ltd, whereas the "Collateral Owner" is stated at page 5 to be Asian Hope Shipping Ltd and the "Collateral Vessel" it is stated at page 5 to be "Asian Hope".
	77		Furthermore, see page 6 where the "Corporate Guarantor" is stated to be "each of (i) East West Maritime Investment Ltd and (ii) the "Collateral Owner".
			Unfortunately, however, there does appear to be an error with the latter pages of this document in as far as it been 'chopped' after page 51.
			20 – 23: OCEAN DAISY DOCUMENTS
20.	First Preferred Ship Mortgage over M/V "Ocean Daisy" between Daisy Shipping Ltd and ABN Ambro Bank	15 December 2005	This document signed at page 29 by Babis Ziogas for and on behalf of Daisy Shipping Ltd.
21.	Loan Agreement for a Secured Floating Interest Rate Loan Facility of up to US\$16,500,000 between ABN Ambro Bank and Daisy	22 August 2005	"Corporation Guarantor" at page 3 is East West Maritime Investment Ltd. Notices etc. that are to be sent of any of the Borrowers, the Guarantors, or the Commercial Manager are to be sent c/o Babis Ziogas.

	A CONTRACTOR OF THE PROPERTY O	A AND AND A STATE OF THE STATE	THE MFS SHIPS - COMMONALITY OF OWNERSHIP
A CONTRACTOR OF THE CONTRACTOR	The state of the s		
Number	Document	Date	Comments
	Shipping Ltd and Ocean Phoenix Shipping Ltd		The Loan Agreement was signed by Babis Ziogas for and on behalf of the First Borrower (Daisy Shipping Ltd) and the Second Borrower (Ocean Phoenix Shipping Ltd).
72.	First Priority Assignment of Earnings and Requisition compensation in respect of Motor Vessel "Ocean Phoenix" between Ocean Phoenix Shipping Ltd and Bremer Landesbank	31 January 2007	This document is signed by Ekaterini Christellou
23.	First Priority Assignment of Insurances in respect of motor vessel "Ocean Phoenix" between Ocean Phoenix Shipping Ltd and Bremer Landesbank between Ocean Phoenix Shipping Ltd and Bremer Landesbank	31 January 2007	This document is also signed by Ekaterini Christellou for and on behalf of Ocean Phoenix Shipping Ltd.
			24 - 28: OCEAN ELLIE DOCUMENTS
24.	First Preferred Marshall Islands Mortgage in respect of M/V "Ocean Ellie" between Ellie Shipping Ltd (as Owner) and HSH	15 November 2006	Signed at page 11 by Ekaterini Christellou for and on behalf of Ellie Shipping. Ltd

~

	and the second s	A STATE OF THE STA	THE MFS SHIPS - COMMONALITY OF OWNERSHIP
	The state of the s		
Number	Document	Date	Comments
	Nordbank (as Security		
	Trustee)		1
25.		14 November 2006	The "Approved Manager" is MFS Shipmanagement Corp. The "Corporate Corporate Last Wort Maritime Investments Ltd.
	Secured Loan Facility of up		Guarantor at 18 East west mainting threshing the
. ,	US\$67,730,000 between, on		
	the one hand, Ellie Shipping		The "Corporate Guarantor's Group" is stated to be the "Corporate Guarantor
	Ltd, Harmony Shipping Ltd,		and its subsidiaries (whether direct or indirect) and including, but not limited
	Olympian Goddess Ltd,		to, the Borrowers) from time to time during the Security Feriod".
	Asian Friendship Shipping		
······································	Ltd and Asian Unity		As ner previous documents, all notices etc. to the Borrowers shall be sent to
	Shipping Ltd (as Joint and		MFS Shipmanagement Corp.
	Several Borrowers) and, on		
	the other hand, various		". "
	banks (as Lenders) Swap		Finally, see the execution pages (2) to 23 ht with Edge consisted that the Harmony Shipping Ltd Olympic
	Banks, Agents and as		and on benail of fille Julyphilg Little Stiming 1 of and Asian Unity
	Security Trustees)		Goddess Shipping Ltd., Asian Mendalup Supping St., and Shipping Ltd.
•-			The state of the first for and on hohalf of the
26.	ISDA Master Agreement	14 November 2006	This document signed by Ekareriu Cilisteriou for aria on barren or many
	between Ellie Shipping Ltd,		Borrowers.
	Harmony Shipping Ltd,		•
	Olympian Goddess Shipping		The Schedule to this Master Agreement states that notices or communications
	Ltd, Asian Friendship		etc to party A (i.e. the Borrowers) should be sent to MFS Shipmanagement
	Shipping Ltd and Asian		Corp and gives the email address as Legal@m-fs.com.
	Unity Shipping Ltd on the		
	one hand and HSH and	**************************************	

 ∞

hore Document Date Comments Nordbank on the other ISDA Master Agreement I November 2005 This document is signed by Babis Ziogas. Mitsubiash on the one hand and Ellis Shipping Ltd and Olympian Goddess Shipping Ltd. Harmony Shipping Ltd. Asian Heindship Shipping Ltd. Harmony Shipping Ltd. Harmony Shipping Ltd. Harmony Shipping Ltd. Asian Heindship Shipping Ltd. A		THE PROPERTY OF THE PROPERTY O	A CONTRACTOR OF THE PROPERTY O	THE MFS SHIPS - COMMONALITY OF OWNERSHIP
Nordbank on the other ISDA Master Agreement 1 November 2005 between the bank of Tokyo-Mitsubishi on the one hand and Ellis Shipping Ltd, Harmony Shipping Ltd and Olympian Goddess Shipping Ltd on the other hand Agency and Trust Deed November 2006 relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Asian Friendship Shipping Ltd, Asian Goddess Shipping Ltd, Asian Goddess Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		The state of the s		
1 November 2005 November 2006 November 2006	Number	Document	Date	Comments
ISDA Master Agreement I November 2005 between the bank of Tokyo-Mitsubishi on the one hand and Ellis Shipping Ltd, Harmony Shipping Ltd and Olympian Goddess Shipping Ltd on the other hand Agency and Trust Deed relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Asian Goddess Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall I5 November 2006 Islands Mortgage in respect		Nordbank on the other		
between the bank of Tokyo- Mitsubishi on the one hand and Ellis Shipping Ltd, Harmony Shipping Ltd and Olympian Goddess Shipping Ltd on the other hand Agency and Trust Deed relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Olympian Goddess Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall Is November 2006 Islands Mortgage in respect	27.	ISDA Master Agreement	1 November 2005	This document is signed by Babis Ziogas.
Mitsubishi on the one hand and Ellis Shipping Ltd, Harmony Shipping Ltd and Olympian Goddess Shipping Ltd and Agency and Trust Deed November 2006 relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Olympian Goddess Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		between the bank of Tokyo-		
and Ellis Shipping Ltd, Harmony Shipping Ltd and Olympian Goddess Shipping Ltd and Ltd on the other hand Agency and Trust Deed November 2006 relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		Mitsubishi on the one hand		
Harmony Shipping Ltd and Olympian Goddess Shipping Ltd on the other hand Agency and Trust Deed relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall Islands Mortgage in respect		and Ellis Shipping Ltd,		
Olympian Goddess Shipping Ltd on the other hand Agency and Trust Deed relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Olympian Goddess Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall Islands Mortgage in respect		Harmony Shipping Ltd and		
Ltd on the other hand Agency and Trust Deed relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall I5 November 2006 Islands Mortgage in respect		Olympian Goddess Shipping		
Agency and Trust Deed November 2006 relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Olympian Goddess Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		Ltd on the other hand	The state of the s	
relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Asian Goddess Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall I5 November 2006 Islands Mortgage in respect	28.	Agency and Trust Deed	November 2006	No comment.
Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Olympian Goddess Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall I5 November 2006 Islands Mortgage in respect		relating to a Secured Loan		
US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Clympian Goddess Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		Facility of up to		
Shipping Ltd, Harmony Shipping Ltd, Olympian Goddess Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		US\$67,730,000 between Ellie		
Shipping Ltd, Olympian Goddess Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		Shipping Ltd, Harmony		
Goddess Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		Shipping Ltd, Olympian		
Friendship Shipping Ltd and Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		Goddess Shipping Ltd, Asian		
Asian Unity Shipping Ltd (as joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		Friendship Shipping Ltd and		
joint and several borrowers) on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall Islands Mortgage in respect		Asian Unity Shipping Ltd (as		
on the one hand, and various banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect	•	joint and several borrowers)		
banks (as Lenders), Swap banks and Agents and Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		on the one hand, and various		
Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		banks (as Lenders), Swap	•	
Security Trustees) First Preferred Marshall 15 November 2006 Islands Mortgage in respect		banks and Agents and		
First Preferred Marshall 15 November 2006 Islands Mortgage in respect		Security Trustees)		
First Preferred Marshall 15 November 2006 Islands Mortgage in respect		The state of the s		29 – 30: OCEAN HARMONY DOCUMENTS
	29.	Preferred	15 November 2006	No comment.
		Islands Mortgage in respect	- Company - Annual Medical Application of the Company of the Compa	

	A CONTRACTOR OF THE PARTY OF TH		THE MFS SHIPS - COMMONALITY OF OWNERSHIP
	and the state of t		
Number	Document	Date	Comments
	of M/V "Ocean Harmony" between Harmony Shipping Ltd (as Owner) and HSH Nordbank AG (as Security Trustee)		The same
30.	Loan Agreement relating to a Secured Loan Facility of up to US\$67,730,000 between Ellie Shipping Ltd, Harmony Shipping Ltd, Olympian Goddess Shipping Ltd, Asian Friendship Shipping Ltd and Asian Unity Shipping Ltd and Asian Unity Shipping Ltd (as Joint and Several Borrowers) on the one hand, and various banks (as Lenders, Swap Banks, Agents and Security Trustees) on the other hand	14 November 2006	The same Loan Agreement that is retained to at 25 above, ISDA Master Agreement dated 14 November 2006 as is referred to at 26 above, the same ISDA Master Agreement dated 1 November 2005 as is referred to at 27 above, and the same Agency and Trust Deed referred to at 28 above. Same comments apply.
31.	First Preferred Marshall Islands Mortgage in respect of M/V "Olympian Goddess" between Olympian Goddess	15 November 2006	Signed by Ekaterini Christellou for and on behalf of Olympian Goddess Shipping Ltd. This mortgage is then followed by the Loan Agreement referred to at 25 above, the ISDA Master Agreement at 26 above, the ISDA Master Agreement at 26 above, the ISDA Master Agreement at 28 above.

	And the second s		THE MFS SHIPS - COMMONALITY OF OWNERSHIP

Number	Document	Date	Comments
	Shipping Ltd (as Owner) and HSH Nordbank AG (as Security Trustee)		
	The state of the s		32 – 33: OCEAN PHOENIX DOCUMENTS
32.	First Preferred Marshall Islands Vessels Mortgage in respect of M/V "Ocean Phoenix" between Ocean Phoenix Shipping Ltd and Bremer Landesbank	31 January 2007	Signed by Ekaterini Christellou for and on behalf of Ocean Phoenix Shipping Ltd.
33.	First Preferred Marshall Islands Vessels Mortgage in respect of M/V "Ocean Phoenix" between Ocean	31 January 2007	The "Corporate Guarantor" is "East-West Maritime Investments Ltd". The "Manager" is MFS Shipmanagement Corp.
<u>-</u> .	Phoenix Shipping Ltd and Bremer Landesbank		Notices etc. to any Security Parties to be sent to MFS Shipmanagement Corp in Greece to the personal email address of Babis Ziogas.
			This agreement is signed by Babis Ziogas for and on behalf of Ocean Phoenix Shipping Ltd.
			34 - 35; SIDER UNITY DOCUMENTS
34.	First Preferred Marshall Islands Vessels Mortgage in	15 November 2006	This mortgage signed by Ekaterini Christellou for and on behalf of Asian Unity Shipping Ltd. This document is followed by the Loan Agreement referred to at

THE PROPERTY AND ADDRESS OF THE PROPERTY ADDRESS O			THE MFS SHIPS - COMMONALITY OF OWNERSHIP
	And the state of t		
Number	Document	Date	Comments
	respect of M/V "Sider Unity" between Asian Unity Shipping Ltd (as Owners) and HSH Nordbank AG (as Security Trustee)		25 above, the ISDA Master Agreement referred to at 26 above, the ISDA Master Agreement dated 1 November 2005 referred to at 27 above, and the Agency and Trust Deed referred to at 28 above.
35.	Second Preferred Marshall 4 June 2007 Islands Mortgage in respect of M/V "Sider Unity" between Asian Unity Shipping Ltd (as Owner) and HSH Nordbank AG (as Mortgagee)	4 June 2007	This document is signed by Ekaterini Christellou for and on behalf of Asian Unity Shipping Ltd. This document is followed by and unsigned and undated Guarantee Facility Agreement between Asian Unity Shipping Ltd (as Obligor) and HSH Nordbank AG (as Bank) which states that notices etc to the Obligor should be sent to MFS Shipmanagement Corp.